



Spending Policy

Spending Policy for Endowed Funds

This policy applies to gifts in which the principal is endowed. A description of all categories of endowed funds follows as Attachment A. This policy and the description will be reviewed annually by the Investment Committee.

Each year, the RCC Foundation allocates between 3% and 5% of the market value of endowed funds to fund the purposes for which the endowments were established. (The market value equals the average of the fund amount on December 31 of the three preceding years.) While the payout rate is intended to be stable, it may be adjusted annually in May by the Foundation Board of Directors to reflect returns in the capital markets, budgetary needs, or inflation experience, i.e., the allocation may be less than 3% if the growth for any one of the three years is less than 3%.

While realizing that the expenditure of non-scholarship funds will vary, it is the intention of the Board that the maximum amount of scholarship funds be made available to students each year and that the expenditures of the Foundation as a whole should, over each three year period, average 5% of the total amount of the Foundation's holdings.

First awards from a new endowment will not be made until August of the calendar year following the year in which the fund becomes fully endowed.

Spending Policy for Non-Endowed Funds

Non-endowed funds may be expended immediately or held until needed.

The budgeting of non-endowed designated funds and unrestricted funds will be determined annually during the Foundation's regular budgeting process. A budget report for designated and unrestricted funds, showing the balances for each fund, will be included with the annual Foundation budget. The Executive Director will notify the appropriate RCC administrators of the fund balances annually to ensure that Foundation funds are utilized to the greatest extent possible.

Attachment A

Fund	Allowable Expenditures	Policy
Alton Cox	Various scholarships and grants, such as Continuing Ed. scholarships, high school achievement, college innovation fund, ambassador program, plus some operating expenses	5% of market value*, calculated on rolling average of fund value on 12/31 of three preceeding years.
A.D.N. Endowment	Program and/or salary support in nursing program	
Title III Endowment	Photography challenge, endowed scholarships and other small program support funds as well as unrestricted money; currently we can spend up to amount on the interest for the portion that we raised; once restrictions are lifted, later this year, will likely be spending up to 5% of market value; will move into other investment funds as appropriate	Funds allocated to existing funds (raised as match) will follow guidelines of that fund. Remainder will likely be spent as 5% of market value*.
Endowed Scholarships	Curriculum scholarships	5% of market value* less any individual funds that are not fully endowed, calculated on rolling average of fund value on 12/31 of three preceeding years.
General Endowments	Endowed funds established for specific non-curriculum scholarship or program support purposes, e.g. Jubilee Fund for Professional Development; Continuing Ed. scholarships; CIF Endowment; unrestricted endowment	
General Fund	Strictly operating expenses; unrestricted (from Alton Cox)	5% of market value*, calculated on rolling average of fund value on 12/31 of three preceeding years.

*Funds allocated but unused from the previous year will be deducted from the market value when calculating the amount available to spend. These unused funds will remain available for use in future years.